THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) and (b) Exports from India during April-December '08 was US$ 130.91 billion in comparison to US$ 113.48 billion in the corresponding period last year, registering a growth of 15.4%. Global slowdown, in particular, in the United States and European countries have impacted on India's exports which witnessed decline in growth since October '08 onwards.

(c) and (d) A sample survey conducted by the Department of Commerce for 402 exporting units spread over 17 different sectors, primarily employment oriented, revealed job loss (both direct and indirect) to the tune of 1,09,513 persons during the period August '08 to Mid January '09.

Ban on import of toys from China

244. SHRI MAHENDRA MOHAN:
DR. JANARDHAN WAGHMARE:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government has recently imposed a ban on the import of toys from China;

(b) if so, the reasons and justification therefor;

(c) whether the toys manufactured in China and exported to many countries including India are toxic;

(d) if so, whether the toys from China flourishing the various markets in the country would also be banned for sale; and

(e) if not, how Government is going to protect children from such toys?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) to (e) The prohibition on import of toys from China has been imposed in response to concerns of health and safety faced by users of Chinese toys. The prohibition is an interim measure during which the Government intends to examine the issue in detail, for Notification of mandatory standards on toys will have a positive impact on the society in terms of availability of safe toys for children in India.

Impact of global recession on Indian industries

†245. SHRI RAJ MOHINDER SINGH MAJITHA:
SHRI RAM JETHMALANI:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that due to global recession symptoms of sickness are being seen in several Indian industries;

(b) if so, Government's reaction thereto;

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†Original notice of the question was received in Hindi.

(c) whether Government has yet identified the industries which have become the victim of sickness; and

(d) if so, the names of such industries and the proposed draft of packages to save them from sickness?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL POLICY AND PROMOTION, MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR): (a) to (d) The global recession has affected some of the export oriented and other industries in India, such as textiles, handicrafts, leather, and gems and jewellery. Slowdown in the demand for automobiles and its ancillaries, cement, steel, housing sector etc. has also been seen.

The Government closely interacts with the Industry and Trade Associations to address issues relating to industrial development. A number of steps have been taken by the Government to stimulate demand for the industry with the objective to address the impact of global recession. Government announced two packages in December, 2008 and January, 2009. Measures introduced in these two packages, *inter-alia*, include:

- **Reduction in Cenvat/Excise duty** : As an immediate measure to encourage additional spending, an across-the-board cut of 4% in the ad valorem CENVAT rate except petroleum was announced.
- **Measures to support Exports** : Several measures have been taken to support exporters such as:
    - Interest subvention of 2% for pre and post shipment export credit for labour intensive industries such as textiles, handlooms, handicrafts, leather, Gems and jewellery, marine products and Micro, Small and Medium Enterprise sector.
    - Additional funds of Rs.1100 crore to ensure full refund of Terminal Excise duty/Central Sales Tax.
    - An additional allocation for export incentive schemes of Rs.350 crore.
    - Government back-up guarantee to Export Credit Guarantee Corporation (ECGC) to the extent of Rs.350 crore to enable it to provide guarantees for exports to difficult markets/products.
    - Refund of service tax to exporters on foreign agent commissions of upto 10 percent of Freight On Board (FOB) value of exports.
    - Enhancement of duty drawback benefits on certain items including knitted fabrics bicycles, agricultural hand tools and specified categories of yarn.
    - Providing pre-shipment credit, in rupees or dollars to Indian exporters at competitive rates by Export Import (EXIM) bank.
- **Housing** :
    - Refinance facility of Rs.4000 crore for the National Housing Bank by RBI.

- To facilitate access to funds for the housing sector, the development of integrated townships have been permitted as an eligible end-use of the External Commercial Borrowing (ECB).

— **Micro, Small and Medium Enterprise (MSME) Sector** :

- Refinance facility of Rs.7000 crore for Small Industries Development Bank of India (SIDBI) by the Reserve Bank of India (RBI) to support MSMEs.
- Enhancement of the loan limit to Rs.1 crore under Credit Guarantee Scheme.
- Grant of need-based *ad-hoc* working capital loans upto 20% of the existing fund-based limits.
- Reduction in interest rates for borrowing by micro enterprises by 1% and in respect of Small and Medium Enterprises (SMEs) by 0.5%.

- **Textiles** : An additional allocation of Rs.1400 crore to clear the entire backlog in Technology Upgradation Fund (TUF) Scheme.
- **Cement** : Countervailing Duty (CVD) on Cement reimposed to protect and promote domestic Cement Industry.
- **Steel** :
  - Export duty on long term steel products and pig iron has been removed to promote domestic steel industry.
  - Reimposition of Import duty on Pig iron, Semi-finished flat and long steel products to protect domestic steel industry.
- **Automobile** :
  - Accelerated depreciation of 50% for commercial vehicles.
  - Assistance to the state under the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) for the purchase of buses for the urban transport system.
- **Others** : (a) Government departments are allowed to replace government vehicles within the allowed budget, in relaxation of extant economy instructions. (b) Elimination of Import Duty on Naphtha for use in the power sector. (c) Elimination of export duty on iron ore fines and reduction of duty to 5% for lumps.

In addition, Reserve Bank of India (RBI) has taken a number of steps to reduce the cost of credit and improve liquidity for industry by reducing Repo rate, Statutory Liquidity Ratio (SLR), and Cash Reserve Ratio (CRR).

Change in rules relating to foreign trade policy and SEZs

246. SHRI AMAR SINGH: Will the Minister of COMMERCE AND INDUSTRY be pleased to state: